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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 10-Q

( X ) QUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended April 26, 1992.

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.
Commission file number 0-6643

UNITOG COMPANY
(Exact name of registrant as specified in its charter)

| Delaware | 44-0529828 |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| 101 W. 11th Street, Kansas City, MO | 64105 |
| (Address of principal executive offices) | (Zip Code) |

(816) 474-7000
(Registrant's telephone number, including area code)

Not applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

(1) Yes X No ____

(2) Yes X No ____

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date.

As of April 26, 1992, the registrant had 5,029,412 shares of common stock, par value $.01 per share, outstanding.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

UNITOG COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
April 26, 1992 and January 26, 1992

| | April 26, 1992 (unaudited) | January 26, 1992 |
|---|---|---|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | $ 945,922 | $ 167,761 |
| Accounts receivable, less allowance for doubtful receivables of $632,800 and $467,100, respectively | 16,371,315 | 14,742,386 |
| Inventories (note 3) | 14,903,311 | 13,875,738 |
| Rental garments in service, net | 19,808,330 | 15,932,977 |
| Prepaid expenses | 1,446,478 | 1,326,354 |
| Total current assets | 53,475,356 | 46,045,216 |
| Property, plant and equipment, at cost | 76,111,438 | 61,913,154 |
| Less accumulated depreciation | 24,420,773 | 23,226,237 |
| Net property, plant and equipment | 51,690,665 | 38,686,917 |
| Other assets, net | 16,738,601 | 6,149,439 |
| Excess cost over net assets of business acquired, net of amortization | 1,139,607 | -- |
| | $123,044,229 | $ 90,881,572 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Current installments of long-term debt | $ 5,431,915 | $ 2,746,112 |
| Accounts payable | 6,375,248 | 5,894,779 |
| Accrued expenses | 7,861,107 | 6,314,490 |
| Income taxes payable | 250,662 | 511,312 |
| Deferred income taxes | 5,037,022 | 4,250,522 |
| Total current liabilities | 24,955,954 | 19,717,215 |
| Long-term debt, less current installments (note 5) | 60,711,047 | 34,915,000 |
| Other liabilities, noncurrent | 167,453 | 179,706 |
| Deferred income taxes, noncurrent | 4,723,285 | 4,734,035 |
| Stockholders' equity: | | |
| Common stock of $.01 par value. Authorized 15,000,000 shares; issued 5,029,412 shares | 50,294 | 50,294 |
| Additional paid-in capital | 17,383,765 | 17,383,765 |
| Retained earnings | 15,052,431 | 13,901,557 |
| Total stockholders' equity | 32,486,490 | 31,335,616 |
| | $123,044,229 | $ 90,881,572 |

See accompanying notes to consolidated financial statements.

UNITOG COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
Three months ended April 26, 1992 and April 28, 1991
(unaudited)

| | April 26, 1992 | April 28, 1991 |
|---|---|---|
| Revenues: | | |
| Rental operations | $ 25,127,910 | $ 23,152,723 |
| Direct sales | 12,703,430 | 12,029,613 |
| Total revenues | 37,831,340 | 35,182,336 |
| Cost of sales: | | |
| Rental operations | 12,831,285 | 12,345,963 |
| Direct sales | 6,917,118 | 6,607,485 |
| Total cost of sales | 19,748,403 | 18,953,448 |
| Gross margin | 18,082,937 | 16,228,888 |
| Operating expenses: | | |
| Rental operations | 9,007,579 | 8,180,471 |
| Direct sales | 4,270,454 | 3,933,826 |
| General and administrative | 1,839,581 | 1,769,690 |
| Total operating expenses | 15,117,614 | 13,883,987 |
| Operating income | 2,965,323 | 2,344,901 |
| Interest expense | 998,023 | 1,045,245 |
| Other expenses, net | 16,426 | 18,213 |
| Earnings before income taxes | 1,950,874 | 1,281,443 |
| Income taxes | 800,000 | 521,000 |
| Net earnings | $ 1,150,874 | $ 760,443 |
| Weighted average common and common equivalent shares outstanding | 5,038,104 | 5,029,412 |
| Net earnings per common share | $ .23 | $ .15 |

See accompanying notes to consolidated financial statements.

UNITOG COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Three months ended April 26, 1992 and April 28, 1991
(unaudited)

| | April 26, 1992 | April 28, 1991 |
|---|---|---|
| Cash flows from operating activities: | | |
| Net earnings | $ 1,150,874 | $ 760,443 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | |
| Depreciation and amortization | 1,746,575 | 1,578,334 |
| Provision for deferred income taxes | 775,750 | (186,182) |
| Changes in assets and liabilities: | | |
| Accounts receivable | (257,887) | 350,301 |
| Inventories | (1,027,573) | (239,792) |
| Rental garments in service | (438,092) | 465,398 |
| Prepaid expenses | (1,099) | 147,483 |
| Other noncurrent assets | 27,164 | (127,831) |
| Accounts payable | 480,469 | (1,377,755) |
| Accrued expenses | 588,795 | (68,137) |
| Income taxes payable | (260,650) | 706,689 |
| Net cash provided by operating activities | 2,784,326 | 2,008,951 |
| Cash flows from investing activities: | | |
| Acquisition of rental operations | (29,380,657) | -- |
| Purchase of property, plant and equipment | (1,126,969) | (1,620,313) |
| Net book value of equipment disposed | 19,611 | 102,709 |
| Net cash used by investing activities | (30,488,015) | (1,517,604) |
| Cash flows from financing activities: | | |
| Increases in long-term debt | 28,641,803 | 2,325,000 |
| Repayments of long-term debt | (159,953) | (2,107,201) |
| Net cash provided (used) by financing activities | 28,481,850 | 217,799 |
| Net increase in cash and cash equivalents | 778,161 | 709,146 |
| Cash and cash equivalents at beginning of period | 167,761 | 148,471 |
| Cash and cash equivalents at end of period | $ 945,922 | $ 857,617 |
| Supplemental disclosures of cash flow information: | | |
| Cash paid during the three months ended April 26, 1992 and April 28, 1991 for: | | |
| Interest | $ 846,000 | $ 971,000 |
| Income taxes | $ 285,000 | $ 500 |

See accompanying notes to consolidated financial statements.

UNITOG COMPANY AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements
Three Months Ended April 26, 1992 and April 28, 1991

Note 1

In the opinion of the Company, the accompanying unaudited condensed consolidated financial statements reflect all adjustments (consisting of normal recurring accruals) necessary to present fairly the financial position of the Company as of April 26, 1992, and the results of its operations and its cash flows for the three months ended April 26, 1992 and April 28, 1991.

Note 2

The results of operations for the three months ended April 26, 1992 are not necessarily indicative of the results to be expected for the full year.

Note 3 Inventories

The following is a summary of inventories at April 26, 1992 and January 26, 1992:

| | April 26, 1992 | January 26, 1992 |
|---|---|---|
| Raw materials | $ 3,865,603 | $ 3,715,638 |
| Work in progress | 2,321,568 | 2,225,815 |
| Finished goods | 11,879,636 | 10,981,250 |
| | 18,066,807 | 16,922,703 |
| Less LIFO allowance | 3,163,496 | 3,046,965 |
| | $ 14,903,311 | $ 13,875,738 |

Note 4 Acquisition of Rental Operations

On March 27, 1992, Unitog Rental Services, Inc., a wholly-owned subsidiary of Unitog Company, acquired substantially all of the assets and operations of Mid West Services, Inc., and Hertz and Hertz L.P., (Mid West). Mid West has three production plants and four branches which provide uniform and linen rental service to a large portion of Indiana and Ohio.

The acquisition was accounted for as a purchase and, accordingly, the purchase price was allocated to the assets acquired based upon their respective fair values. The total purchase price of Mid West and allocation of that purchase price is summarized as follows (in thousands):

| | | |
|---|---|---|
| Total purchase price | | $ 30,021 |
| Current assets | $ 4,931 | |
| Property, plant and equipment | 13,198 | |
| Intangible and other assets | 11,067 | |
| Fair value of assets acquired | 29,196 | |
| Liabilities assumed | (318) | |
| Net assets acquired | | 28,878 |
| Excess of purchase price over net assets acquired | | $ 1,143 |

The excess of purchase price over net assets acquired is being amortized over 20 years. Other intangible assets acquired, consisting principally of noncompetition agreements and customer contracts, are being amortized over their respective useful lives of less than ten years. The operating results of Mid West have been included in the consolidated results of the Company since the date of acquisition.

The consolidated operating results of the Company for the quarters ended April 26, 1992 and April 28, 1991 on a pro forma basis as though the acquisition had occurred on January 28, 1991 would be approximately as follows (in thousands):

| | April 26, 1992 | April 28, 1991 |
|---|---|---|
| Revenues | $ 41,122 | $ 40,104 |
| Operating income | 3,034 | 2,448 |
| Net earnings | 1,027 | 482 |
| Net earnings per common share | $ .20 | $ .10 |

Note 5 Long-term Debt

In March 1992 the Company amended its loan and letter of credit agreement which governs the Revolving Credit Loan and Equipment Loan. The amended agreement, among other things, provides for the participation of an additional lending bank, increases total borrowings available under the credit facility and revises the principal repayment schedule of the Equipment Loan.

The Revolving Credit Loan provides for borrowings of up to $30 million at an interest rate based upon prime or, at the Company's option, an interest rate based upon the prevailing LIBOR rate. The interest rate in effect at April 26, 1992 was 6.5%. The Revolving Credit Loan matures on December 1, 1994.

The Equipment Loan provides for borrowings of approximately $34 million at prime plus a variable rate or, at the Company's option, an interest rate based upon the prevailing LIBOR rate. The interest rate in effect at April 26, 1992 was 6.75%. The Equipment Loan provides for quarterly principal payments varying in amount from $1 million to $1.5 million and monthly interest payments based upon the outstanding principal balance with any remaining balance and accrued interest due on December 1, 1994.

The Agreement restricts, among other things, capital expenditures, the payment of dividends and additional borrowings. The Agreement requires the Company to maintain certain minimum levels of working capital, net worth, interest coverage and fixed charge coverage and sets a maximum defined leverage ratio.

Note 6 Stock Option Plan

In May 1992, the stockholders of the Company approved the Unitog Company 1992 Stock Option Plan. The Plan provides for the discretionary granting of up to 150,000 shares of the Company's common stock to selected employees at an exercise price of not less than the fair market value of the Company's common stock on the date of grant. At April 26, 1992, 107,000 options were outstanding under the plan at an exercise price of $16.25 per share. 43,000 options were available for grant, and no options were exercisable. The options vest ratably over four years and expire in 2002.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Liquidity and Capital Resources

In March 1992 the Company acquired the assets and operations of Mid West Services, Inc. for $30 million. The purchase was financed with bank borrowings. The Company amended its previous bank credit agreement to increase its credit facility by $20 million. At April 26, 1992 the blended interest rate for the Company's long term debt was 7.5% and the amount of additional borrowings available under the amended bank credit agreement was $14 million.

Cash provided by operating activities for the three months ended April 26, 1992 was $2.8 million, an increase of $776,000 or 39% over the comparable period last year. Improved net earnings and cash flow related to the former Mid West operations offset inventory increases for Direct Sales' product demand.

Working capital was $28.5 million at April 26, 1992 compared to $26.2 million at January 26, 1992. The increase is due to higher inventory levels and the addition of net current assets from the former Mid West operations. Capital expenditures were $1.1 million compared to $1.6 million last year. Planned capital expenditures for fiscal 1993 are $7 million.

Management believes that cash generated from operations and its bank credit facility will be sufficient to meet its cash requirements for acquisitions and capital expenditures in the foreseeable future.

Results of Operations

Revenues for the first quarter of fiscal 1993 were $37.8 million, an increase of $2.7 million or 8% over the comparable period last year. Rental revenues for the quarter ended April 26, 1992 were $25.1 million, an increase of $2 million or 9% over the prior year. Revenues from the former Mid West operations were $1.5 million for the four weeks since acquisition. Direct Sales for the first quarter of fiscal 1993 were $12.7 million, and increase of $673,000 or 6% over last year. Sales of postal service uniforms continued at a record breaking pace for this product line. Sales of other uniform products were less than anticipated. At quarter's end, however, unshipped orders for these products were at record levels.

Operating income for the first quarter of fiscal 1992 was $3.0 million, an increase of $620,000 or 26% over the comparable period last year. The improvement was the result of cost reductions from the Company's restructuring efforts. Decreased garment consumption costs and increased manufacturing production volume also contributed to the improvement.

Interest expense for the first quarter of fiscal 1993 was $1 million, a decrease of $47,000. The effect of lower average interest rates has been partially offset by increased debt service related to the bank financing to acquire the former Mid West operations.

Net earnings for the first quarter were $1.2 million or $ .23 per share, an increase of $390,000 or $ .08 per share over the comparable period last year. The former Mid West operations did breakeven for the four weeks since acquisition. The net earnings' improvement was attributable to the maturing cost savings from the Company's restructuring efforts.

## PART II - OTHER INFORMATION

Item 1. Legal Proceedings

See the discussion of legal proceedings in Part I, Item 3 of the Company's Annual Report on Form 10-K for the fiscal year ended January 26, 1992.

Item 4. Submission of Matters to a Vote of Security Holders

At the Company's Annual Meeting of Stockholders held on May 21, 1992 the stockholders approved the Unitog Company 1992 Stock Option Plan. Under the Stock Option Plan key employees of the Company are eligible to receive incentive and/or non-qualified stock options. A total of 150,000 shares of common stock are available for issuance under the Stock Option Plan. The exercise price for options granted under the Stock Option Plan may not be less than the fair market value of the Company's common stock at the date of grant and are exercisable for up to ten years after the date of grant. At the Annual Meeting, a total of 4,109,229 shares voted for, 73,057 shares voted against and 11,356 shares abstained from approval of the Stock Option Plan.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits.

4 (a) Specimen common stock certificate (incorporated by reference to Exhibit 4(a) to Amendment No. 1 to Registration Statement on Form S-1 (SEC No. 33-27969)).

4 (b) Reference is made to the Fourth Article of the Second Restated Certificate of Incorporation (incorporated by reference to Exhibit 3(a) to Amendment No. 2 to Registration Statement on Form S-1 (SEC No. 33-27969)) and Sections 9, 47, 48, 49 and 50 of the Third Amended and Restated Bylaws, as amended (incorporated by reference to Exhibit 3(b) to Annual Report on Form 10-K for the fiscal year ended January 28, 1990).

4 (c) First Amended and Restated Loan and Letter of Credit Reimbursement Agreement, dated October 25, 1990, among the registrant, Unitog Rental Services, Inc., Bank One, Indianapolis, National Association ("Bank One"), Harris Trust and Savings Bank ("Harris") and Bank One, as agent, including copies of promissory notes issued thereunder (incorporated by reference to Exhibit 4 of Quarterly Report on Form 10-Q for the quarterly period ended October 28, 1990).

4 (d) Amendment No. 1 to First Amended and Restated Loan and Letter of Credit Reimbursement Agreement, dated January 25, 1991, among the registrant, Unitog Rental Services, Inc., Bank One, Harris and Bank One, as agent. (incorporated by reference to Exhibit 4(d) to Annual Report on Form 10-K for the fiscal year ended January 27, 1991).

4 (e) Amendment No. 2 to First Amended and Restated Loan and Letter of Credit Reimbursement Agreement, dated March 22, 1991, among the registrant, Unitog Rental Services, Inc., Bank One, Harris and Bank One, as agent (incorporated by reference to Exhibit 4(e) to Annual Report on Form 10-K for the fiscal year ended January 27, 1991).

4 (f) Amendment No. 3 to First Amended and Restated Loan and Letter of Credit Reimbursement Agreement, dated as of March 13, 1992, among the registrant, Unitog Rental Services, Inc., Bank One, Harris and Boatmen's First National Bank of Kansas City and Bank One, as agent, including promissory notes issued thereunder (incorporated by reference to Exhibit 4(f) to Annual Report on Form 10-K for the fiscal year ended January 26, 1992).

4 (g) Trust Indenture, dated as of December 7, 1988, between the registrant, Unitog Rental Service, Inc., jointly and severally, and Peoples Bank and Trust Company, including specimen copy of note (incorporated by reference to Exhibit 4(h) to Registration Statement on Form S-1 (SEC No. 33-27969)).

4 (h) Undertaking to file certain instruments defining the rights of holders of certain long term debt pursuant to Item 601 of Regulation S-K (incorporated by reference to Exhibit 4(h) to Annual Report on Form 10-K for the fiscal year ended January 26, 1992.

(b) Reports on Form 8-K.

On April 7, 1992, the Company filed a Report on Form 8-K with respect to the acquisition of the assets and operations of Mid West Services, Inc. and Hertz & Hertz, L.P. The Form 8-K was amended under cover of Form 8, filed on May 19, 1992. The items reported on the Form 8-K were Item 2, Acquisition of Assets, and Item 7, Financial Statements and Exhibits. The item reported on the Form 8 was Item 7, Financial Statements and Exhibits.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNITOG COMPANY

Dated: June 4, 1992

By:

J. Craig Peterson
Senior Vice-President of
Finance and Administration,
Chief Financial Officer
(Duly Authorized Officer)